

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Hunter Paine Enterprises, LLC	12/15/2005
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	Richard Kinney
<b>Street Address:</b>	P.O. Box 329
<b>City:</b>	Chatham
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	12037
<b>Name:</b>	Glen Arbor, L.P.
<b>Street Address:</b>	P.O. Box 329
<b>City:</b>	Chatham
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	12037
<b>PROPERTY NUMBERS Total: 2</b>	
<b>Property Type</b>	<b>Number</b>
Application Number:	11214350
Application Number:	06679661
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(216)579-0212
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Email:</b>	jrmix@jonesday.com
<b>Correspondent Name:</b>	James R. Mix
<b>Address Line 1:</b>	901 Lakeside Ave.
<b>Address Line 2:</b>	c/o James R. Mix, Legal Assistant
<b>Address Line 4:</b>	Cleveland, OHIO 44114-1190

**CH \$80.00 11214350**

ATTORNEY DOCKET NUMBER:

407950-010001

NAME OF SUBMITTER:

James R. Mix

Total Attachments: 13

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## COLLATERAL SECURITY AGREEMENT

This Collateral Security Agreement ("Agreement") is made and entered into by Hunter Painc Enterprises, LLC, a Delaware limited liability company ("Debtor"), in favor of each of Richard Kinney and Glen Arbor, L.P., a Delaware limited partnership (collectively the "Secured Parties"), as of December 16, 2005, to provide the Secured Parties with security in and to the Collateral (as defined herein) for the purpose of securing Debtor's obligation to repay to the Secured Parties the Indebtedness (as defined herein) due pursuant to the Secured Promissory Note.

### PREAMBLE

A. On September 26, 2005, the Secured Parties and Debtor entered into a Memorandum of Understanding (the "MOU"), pursuant to which the Secured Parties agreed to lend and transfer to Debtor concurrent with the execution thereof the aggregate principal amount of \$800,000 (the "Loan") to cover an overdue payable owed by Debtor to Devcon Construction, Inc., a contractor.

B. Under the MOU, in exchange for the Loan, Debtor agreed, among other things, to deliver to the Secured Parties and execute within seven days of the date of the MOU in a form satisfactory to and approved by the Secured Parties (1) a "Secured Promissory Note" to evidence the Loan and (2) a "Security Agreement" pursuant to which Debtor would grant to the Secured Parties a security interest in the Collateral. The respective rights of the Secured Parties in and to the Collateral are intended to be pari passu with the rights of certain other persons as specified herein.

C. This Agreement is intended by the parties hereto to be the "Security Agreement" referred to in the MOU. Simultaneous with the execution and delivery of this Agreement, Debtor and the Secured Parties are executing and delivering the respective Secured Promissory Notes evidencing the Indebtedness. The parties hereto intend that all such instruments shall evidence the covenants and other agreements that the parties agreed upon in principle in the MOU.

#### Article I. Collateral Security Interest.

1.1 Grant of Collateral Security Interest. As collateral to secure the obligations of the Debtor pursuant to the Secured Promissory Notes, Debtor grants to the Secured Parties a present and continuing security interest in and to, and a general first lien upon and right of set off against, the Collateral. The Secured Parties' acknowledge that their respective security interest in and general first lien upon the Collateral are intended to be pari passu with the rights to the Collateral granted by Debtor to the parties listed on Schedule C (the "Other Secured Parties").

1.2 Certain Defined Terms. Whenever used in this Agreement (including in Schedule A), the following terms shall have the respective meanings given to them below:

1.2.1 "Collateral" means each and every item and type of property described on Schedule A of this Agreement, whether now owned or hereafter acquired by Debtor, as such Schedule may be amended, revised or supplemented from time to time in writing, and all of the proceeds of any of the foregoing. A revision to Schedule A shall be effective only if signed by Debtor and the Secured Parties.

1.2.2 "Indebtedness" shall mean the aggregate principal amount of \$800,000, together with all interest and other amounts payable thereon, due to the Secured Parties pursuant to the terms of the respective Secured Promissory Notes.

1.2.3 "Obligations" means all of Debtor's debts, liabilities, obligations, covenants, warranties, and duties of payment and performance to the Secured Parties (including satisfaction of the Indebtedness) under, or that may become due, in the event that Debtor fails to timely satisfy all or any part of its obligations, pursuant to the terms of the Secured Promissory Note.

1.2.4 "Secured Promissory Notes" means the separate secured promissory notes issued on the date hereof by Debtor in favor of the respective Secured Parties.

Article 2. Warranties and Covenants.

2.1 Organization; Name; Address. Debtor is a limited liability company organized, duly existing and in good standing under the laws of the State of Delaware. Debtor's organizational identification number is 3127602.

2.2 Ownership; Maintenance of Collateral and Dispositions.

2.2.1 Except for the security interests of the Secured Parties and (subject to Section 2.2.7) the Other Secured Parties, and as consented to in advance in writing by the Secured Parties, Debtor is and will be the owner of the entire right, title and interest in and to the Collateral and all intellectual property rights that relate to the Smartstick™ technology and/or that are useful in the manufacture, marketing or sale thereof, free from any liens, security interests, encumbrances, claims or other right, title or interest of any other person or legal entity.

2.2.2 Debtor shall at all times: (a) not permit waste, removal or loss of identity of the Collateral; (b) keep the Collateral free from all liens, executions, attachments, claims, encumbrances and security interests (other than the paramount security interests of the Secured Parties and (subject to Section 2.2.7) the Other Secured Parties, and such other encumbrances, if any, that the Secured Parties may permit in advance in writing); (c) defend the Collateral against all claims and legal proceedings by persons other than the Secured Parties at any time claiming rights in or to the Collateral or any interest concerning the Collateral that is adverse to the Secured Parties; (d) pay and discharge when due all taxes, levies and other charges or fees upon the Collateral except for taxes contested by Debtor in good faith by appropriate proceedings so long as no levy or lien has been imposed upon the Collateral and provided that Debtor gives prior notice to the Secured Parties of each such proceeding; (e) not sell, transfer, assign, license, sublicense or otherwise convey any ownership right or interest to the Collateral to any party other than the Secured Parties or (subject to Section 2.2.7) the Other Secured Parties without the prior written consent of the Secured Parties; (f) not permit the Collateral, without the prior written consent of the Secured Parties, to be merged with or into, or to become an integral part of, any intellectual property not owned by Debtor; and (g) not use or permit the Collateral to be used in violation of any applicable law, regulation, or policy of insurance.

2.2.3 Debtor represents, warrants and covenants that: (a) with the exception of the security interests granted to the Other Secured Parties and evidenced by separate security agreements (subject to Section 2.2.7), there are no other security interests, liens or collateral assignments, and no financing statements on file in any public office, covering the Collateral; and so long as any Obligations are outstanding, Debtor will not, without the prior written consent of the Secured Parties, execute or authorize, and will not file or cause or permit to be filed in any public office, any such financing statements; (b) the Collateral is valid and enforceable; (c) the use of any of the Collateral does not and will not infringe, misappropriate or violate the rights of any third party; (d) Debtor has full power, authority and legal right to execute and deliver this Agreement and to perform its obligations hereunder; and (e) Debtor has applied for, but the Patent and Trademark Office has not yet issued, a patent in respect of the SmartStick™.

2.2.4 Except as otherwise agreed to by the Secured Parties in writing, Debtor shall prosecute diligently any patent application or trademark application pending as of the date of this Agreement or thereafter until the Obligations are paid in full, make application on unpatented but patentable inventions, file related trademark applications (including a trademark application for the "SmartStick"), file and prosecute opposition and cancellation proceedings, and do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including payment of any maintenance fees. Any expenses incurred in connection with the Collateral shall be borne by Debtor. Debtor shall not abandon any Collateral without the prior written consent of the Secured Parties.

2.2.5 Debtor has the right to bring any opposition proceeding, cancellation proceeding or lawsuit in its own name to enforce or protect the Collateral. The Secured Parties shall have the right, but not the obligation, to join in any such action. Debtor shall promptly, upon demand, reimburse and indemnify the Secured Parties for all damages, reasonable costs and expenses, including attorneys' fees, incurred by the Secured Parties in connection with the provisions of this Section 2.2.5 in the event the Secured Parties elect to join in any such action commenced by Debtor.

2.2.6 If Debtor fails to comply with any of its obligations under this Agreement, the Secured Parties may, but shall not be obligated to, do so in Debtor's name or in the name of the Secured Parties but at Debtor's expense, and Debtor hereby agrees to reimburse the Secured Parties, upon request, in full for all expenses, including attorneys' fees, incurred by the Secured Parties in protecting, defending and maintaining the Collateral.

2.2.7 Debtor represents and warrants that the rights of the Other Secured Parties in and to the Collateral are or will be pari passu with, and not be superior to, the rights of the Secured Parties in and to the Collateral, and additionally covenants and agrees that the respective rights of the Other Secured Parties in and to the Collateral will be evidenced by written agreements that, prior to their execution, will be furnished to the Secured Parties for their respective review and approval. Debtor further covenants and agrees that none of the security agreements with the Other Secured Parties will be changed in any material respect following the Secured Parties' review of any such agreement.

### Article 3. Other Agreements of Debtor.

3.1 Maintenance of Records; Reports. Debtor at all times shall keep accurate and complete records of the Collateral and its status.

3.2 Right of the Secured Parties to Inspect Collateral and Audit Books. The Secured Parties or their designated agents shall have the right, upon reasonable notice and during regular business hours, to (a) inspect the Collateral at Debtor's place(s) of business or any other place(s) where the Collateral may be located and (b) inspect, audit and copy any books and records of Debtor related to the Collateral or other transactions between Debtor, on the one hand, and the Secured Parties, on the other hand, to which this Agreement applies. Notice delivered twenty-four (24) hours prior to an inspection shall be considered reasonable under this section.

3.3 Assignments, Financing Statements and Other Documentation. Debtor agrees to execute and deliver such forms of assignment and transfer, as well as financing statement or statements, or amendments or supplements thereto, or other documents and instruments as the Secured Parties may from time to time require or reasonably request in order to perfect and maintain the Secured Parties' perfected, continuing security interest in the Collateral. Debtor hereby authorizes the Secured Parties to file any UCC financing statement describing the Collateral in any filing office that it deems necessary or appropriate. In addition, Debtor hereby authorizes the Secured Parties to file a copy of this Agreement in the Patent and Trademark Office.

3.4 Other Borrowing. Without the prior written consent of the Secured Parties, and excluding the security interests granted to the Other Secured Parties, Debtor will not engage in any financing covering the Collateral, nor will Debtor grant any other security rights or interests in or to the Collateral.

3.5 Reservation of Rights. Under the MOU, Debtor agreed to deliver to the Secured Parties and execute within seven days of the date of the MOU in a form satisfactory to and approved by the Secured Parties (a) a "Secured Promissory Note" to evidence the Loan and (b) a "Security Agreement" pursuant to which Debtor would grant to the Secured Parties a security interest in the Collateral. Debtor acknowledges that it has not complied with the terms of the MOU and that neither the Secured Promissory Note, nor the Security Agreement, have been executed by Debtor within the timeframe set forth in the MOU, and, as a result, Debtor acknowledges and agrees that the respective Secured Parties may have suffered irreparable harm. By executing this Agreement and the Secured Promissory Note on the date hereof, Debtor acknowledges and agrees that the Secured Parties shall not be deemed to have hereby waived any claim to which it may be entitled for damages (including out-of-pocket and reasonable attorneys' fees and expenses incurred in the investigation of any damages or in enforcing any rights under this Agreement) by reason of Debtor's breach of the MOU, and that the Secured Parties shall have the right to seek or enforce any and all rights and remedies that may be available to them, at law or in equity, under this Agreement, without the requirement of posting a bond or other security. Debtor waives and agrees not to assert any defense to any claim brought by the Secured Parties against Debtor under this Agreement, including the defense that any such claim has not been timely asserted. In acknowledging the Other Secured Parties, the Secured Parties do not hereby admit to or make any determination as to the validity or perfection of such Other Secured Parties' security interests in and to the Collateral, nor shall either be deemed to have made any such admission or determination.

#### Article 4. Default.

##### 4.1 Events of Default.

4.1.1 Events of Default of this Security Agreement. Debtor shall be in default under this Agreement and all Obligations shall become immediately due and payable upon the occurrence of any of the following: (a) Debtor fails to timely satisfy all or any part of its obligations pursuant to the Secured Promissory Notes; (b) Debtor fails to keep, observe or perform any provision of this Agreement; or (c) in connection with this Agreement, Debtor has made any misrepresentation to the Secured Parties, breached any warranty to the Secured Parties, or provided to the Secured Parties any certificate, schedule, statement or report that contains any materially false statement or information in connection with this Agreement (any of the foregoing, an "Event of Default").

4.2 Remedies. Upon the occurrence of any Event of Default pursuant to this Agreement or the Secured Promissory Note, the Secured Parties may declare all Obligations immediately due and payable, and the Secured Parties shall, in addition to all other rights and remedies, have all the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law. In addition, upon the occurrence of an Event of Default: (a) the Secured Parties may elect to file with the Patent and Trademark Office the transfer and assignment instrument to be executed by Debtor concurrent herewith (in the form attached hereto as Schedule B) and pursuant to which the Secured Parties may, upon the occurrence of an Event of Default, cause all right, title and interest in and to the Collateral to be legally transferred and assigned to the Secured Parties; and (b) the Secured Parties may take such other steps as the Secured Parties deem necessary and appropriate in order to permit the Secured Parties to take possession of the Collateral in order to assure full and complete satisfaction of the Obligations. The Secured Parties may pursue all other remedies available at law or in equity, and nothing in this Agreement shall be construed to prejudice its rights to obtain any remedy.

Article 5. Termination.

5.1 This Agreement shall not terminate as to the Secured Parties until the full, final, and indefeasible payment and satisfaction of all Obligations, and until such time as Debtor has satisfied the full amount of the Indebtedness.

Article 6. Dispute Resolution.

6.1 Each party hereby consents to the exclusive jurisdiction of the state and federal courts sitting in California in any action on a claim arising out of, under or in connection with this Agreement. The foregoing notwithstanding, nothing in this Agreement or the Secured Promissory Note shall preclude the Secured Parties from foreclosing upon the Collateral without judicial process or need for arbitration, or seeking any writ with respect to the Collateral or other remedy for breach of this Agreement or as necessary or appropriate to protect the Collateral, at law or in equity, in any court with jurisdiction. Debtor waives any and all defenses that arise or may arise from any mandatory dispute resolution provisions under the Secured Promissory Note.

Article 7. Additional Provisions.

7.1 Waivers. Debtor expressly waives demand, notice or protest of any instruments either of Debtor or others, which may comprise all or part of the Collateral.

7.2 Duties Respecting Collateral. The Secured Parties shall have no duty to collect or protect the Collateral or any proceeds, to preserve rights of Debtor, to realize on the Collateral in any particular manner, or to preserve, protect, insure or care for inventory comprising Collateral.

7.3 Non-Waiver by the Secured Parties. Any provision of this Agreement may be amended or waived if and only if such amendment or waiver is in writing and signed, in the case of an amendment, by each party hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. No delay by either Secured Party in exercising its rights hereunder shall be a waiver, nor shall a waiver on one occasion operate as a waiver of such right, or any other right, on any other occasion.

7.4 Notices. Each demand, notice or other communication under this Agreement shall be given by hand delivery, certified or registered mail (return receipt requested), recognized overnight courier service or by facsimile addressed to the party at its address or facsimile number set forth in this Section or as changed by written notice to the other party.

If to the Secured Parties:

For all communications other than overnight courier service:

Richard Kinney  
P.O. Box 329  
Chatham, NY 12037  
Facsimile No.: (518) 392-3425 (call in advance to (518) 392-3434)

Glen Arbor, L.P.  
P.O. Box 329  
Chatham, NY 12037  
Facsimile No.: (518) 392-3425 (call in advance to (518) 392-3434)

For any communications by overnight courier service:

Richard Kinney  
241 LaBranche Road  
Hillsdale, NY 12529

Glen Arbor, L.P.  
241 LaBranche Road  
Hillsdale, NY 12529

If to Debtor:

Hunter Paine Enterprises, LLC  
701 Willow Pass Road  
Pittsburg, CA 94565  
Facsimile No.: (925) 432-4089  
Attention: Chief Executive Officer

With a copy to:

Eric S. Clarke, Esq.  
Carroll, Burdick & McDonough LLP  
1676 N. California Blvd., Suite 620  
Walnut Creek, CA 94596  
Facsimile No.: (925) 256-3110

Any notice given hereunder shall be deemed given and received on the date of hand delivery, the date sent by facsimile (with confirmation of receipt) or three days after deposit with the United States Postal Service, or one business day after delivery to an overnight express service for next day delivery, as the case may be.

7.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no provision of this Agreement shall confer, or be construed to confer, any rights upon any other Persons other than the parties hereto. Debtor may not assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the Secured Parties.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to the choice or conflict of laws rules thereof.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Each party agrees that facsimile signatures of this Agreement will be evidence of a valid and binding execution of it.

7.8 Entire Agreement. This Agreement (together with the Schedules referred to herein, which are hereby incorporated by reference, and the Secured Promissory Notes) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement.



7.9 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

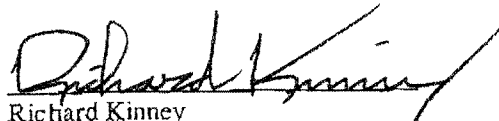
7.10 Severability. If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in force and effect.

7.11 Terms Generally. The words "hereby," "herein," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including the Schedules) and not merely to the specific section, paragraph or clause in which such word appears. All references herein to Articles, Sections and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless the context shall otherwise require. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The definitions given for terms in Section 1.2 and elsewhere in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Except as otherwise expressly provided herein, all references to "dollars" or "\$" shall be deemed references to the lawful money of the United States of America.

[SIGNATURES ON FOLLOWING PAGE]


Executed and dated as of this 16th day of December, 2005.

"SECURED PARTIES"

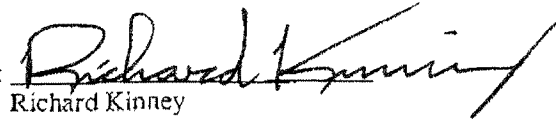
  
Richard Kinney

"DEBTOR"

HUNTER PAINE ENTERPRISES, LLC

By:   
Name:  
Title: CEO

GLEN ARBOR, L.P.

By:   
Richard Kinney  
General Partner

**SCHEDULE A**  
**Description of Collateral Covered by Security Agreement**

Intellectual Property. All of Debtor's now owned or existing and hereafter acquired or arising interest in and to the Smartstick™ technology, including all of the following that relate to the Smartstick™ technology and/or are useful in the manufacture, marketing or sale thereof:

(a) any and all patents and patent applications and the inventions and improvements described and claimed therein, including, without limitation, U.S. Patent Application No. 60/679,661 (RFID-Equipped Shipping Pallet) filed May 11, 2005 and U.S. Patent Application No. 11/214,350 (Shipping Pallet Equipped with a Non-Structural Member Carrying a Readable Device) filed August 30, 2005, related thereto; trademarks, service marks, trade names, brand names, trade dress, slogans, logos and Internet domain names and uniform resource locators, and the goodwill associated with any of the foregoing; inventions (whether patentable or not), industrial designs, discoveries, improvements, ideas, designs, models, formulae, patterns, compilations, data collections, drawings, blueprints, mask works, devices, methods, techniques, processes, know-how, proprietary information, customer lists, software, technical information and trade secrets; copyrights, copyrightable works, and rights in databases and data collections; moral and economic rights of authors and inventors; other intellectual or industrial property rights and foreign equivalent or counterpart rights and forms of protection of a similar or analogous nature to any of the foregoing or having similar effect in any jurisdiction throughout the world; registrations and applications for registration of any of the foregoing, including any renewals, extensions, continuations (in whole or in part), divisionals, re-examinations or reissues or equivalent or counterpart thereof; and all documentation and embodiments of the foregoing;

(b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to the rights identified in (a), above, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof;

(c) the right to sue for past, present and future infringements of the rights identified in (a), above; and

(d) rights under or interests in any license agreements with any other party, whether Debtor is a licensee or licensor under any such license agreement, to the extent permitted by such license agreements.

**SCHEDULE B**

**Form Assignment of Patent and Trademark**

**ASSIGNMENT PURSUANT TO COLLATERAL SECURITY AGREEMENT**

THIS DOCUMENT SHALL BE HELD BY THE SECURED PARTIES IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE COLLATERAL SECURITY AGREEMENT, DATED AS OF DECEMBER 16, 2005 (THE "AGREEMENT"), EXECUTED BY HUNTER PAINE ENTERPRISES, LLC ("DEBTOR"), IN FAVOR OF RICHARD KINNEY AND GLEN ARBOR, L.P. (EACH, TOGETHER WITH HIS OR ITS RESPECTIVE SUCCESSORS AND ASSIGNS, A "SECURED PARTY"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE SECURED PARTIES CERTIFY THAT AN EVENT OF DEFAULT, AS DEFINED IN THE AGREEMENT, HAS OCCURRED AND THAT THE SECURED PARTIES HAVE ELECTED TO TAKE POSSESSION OF THE COLLATERAL, AS DEFINED BELOW, AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

"SECURED PARTIES"

By: \_\_\_\_\_  
Richard Kinney

GLEN ARBOR, L.P.

By: \_\_\_\_\_  
Richard Kinney  
General Partner

Date: \_\_\_\_\_

**ASSIGNMENT**

WHEREAS, HUNTER PAINE ENTERPRISES, LLC, a Delaware limited liability company ("Debtor"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Debtor has executed a Collateral Security Agreement, dated as of December 16, 2005 (as the same may from time to time be amended, restated or otherwise modified, the "Agreement"), in favor of each of RICHARD KINNEY and GLEN ARBOR, L.P. (each, together with his or its respective successors and assigns, a "Secured Party"), pursuant to which Debtor has granted to Secured Party a security interest in and collateral assignment of the Collateral as security for the Obligations, as defined in the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence of an Event of Default, as defined in the Agreement, and Secured Party's election to take

actual title to the Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Debtor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby irrevocably transfer, assign and set over unto the Secured Parties and their respective successors and assigns, all of Debtor's now owned or existing and hereafter acquired or arising interest in and to the Smartstick™ technology, including all of the following that relate to the Smartstick™ technology and/or are useful in the manufacture, marketing or sale thereof:

(a) any and all patents and patent applications and the inventions and improvements described and claimed therein, including, without limitation, U.S. Patent Application No. 60/679,661 (RFID-Equipped Shipping Pallet) filed May 11, 2005, and U.S. Patent Application No. 11/214,350 (Shipping Pallet Equipped with a Non-Structural Member Carrying a Readable Device) filed August 30, 2005, related thereto; trademarks, service marks, trade names, brand names, trade dress, slogans, logos and Internet domain names and uniform resource locators, and the goodwill associated with any of the foregoing; inventions (whether patentable or not), industrial designs, discoveries, improvements, ideas, designs, models, formulae, patterns, compilations, data collections, drawings, blueprints, mask works, devices, methods, techniques, processes, know-how, proprietary information, customer lists, software, technical information and trade secrets; copyrights, copyrightable works, and rights in databases and data collections; moral and economic rights of authors and inventors; other intellectual or industrial property rights and foreign equivalent or counterpart rights and forms of protection of a similar or analogous nature to any of the foregoing or having similar effect in any jurisdiction throughout the world; registrations and applications for registration of any of the foregoing, including any renewals, extensions, continuations (in whole or in part), divisionals, re-examinations or reissues or equivalent or counterpart thereof; and all documentation and embodiments of the foregoing;

(b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to the rights identified in (a), above, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof;

(c) the right to sue for past, present and future infringements of the rights identified in (a), above, and

(d) rights under or interests in any license agreements with any other party, whether Debtor is a licensee or licensor under any such license agreement, to the extent permitted by such license agreements (collectively, the "Collateral").

Debtor shall provide the Secured Parties and their respective successors, assigns or other legal representatives, cooperation and assistance at the Secured Parties' request (including the execution and delivery of any and all affidavits, declarations, oaths, exhibits, assignments, powers of attorney or other documentation) as may be reasonably required in the implementation or perfection of this Assignment.

Debtor hereby specifically incorporates by reference all of the representations, warranties and indemnifications, subject to all of the conditions and limitations, applicable to the Collateral in the Agreement.

This Assignment shall be effective only upon certification by the Secured Parties, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred, and (b) the



**SCHEDULE C**

**List of Other Secured Parties**

**Arthur Roth**

**Colin Proudfoot**

**Edith Roth**

**William Lucas**

**Darryl Nagel**

CLI-1350230v6